GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2982
ANSWERED ON:07.12.2000
MARKETING POLICY FOR OIL
UMMAREDDY VENKATESWARLU

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the reasons for not allowing new entrants to the oil retail business in the country;

(b) whether there will be any change in the present policy;

(c) if so, the details thereof and the extent to which the monopoly is creating high distribution cost for the consumer; and

(d) the steps proposed to be taken to minimise the distribution cost ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d):- A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO.2982 07.12.2000

(a) & (b):- The Government of India announced a road map for dismantling of Administered Pricing Mechanism (APM) in November, 1997. The aforesaid announcement inter alia provided for grant of marketing rights for transportation fuels viz. Motor Spirit (MS), High Speed Diesel (HSD) and Aviation Turbine Fuel (ATF) conditional on owning and operating refineries with an investment of at least Rs.2,000 crore or oil exploration and production companies producing atleast three million tonnes of crude oil annually. Full de-regulation of Petroleum Sector is targetted from 1st April, 2002 onwards.

(c) & (d):- Oil Industry prepares supply plan for distribution of controlled petroleum products which inter alia takes into account the optimisation of costs.